

DE ECONOMIST

DRIEMAANDELIJKS TIJDSCHRIFT—QUARTERLY REVIEW
VAN DE KONINKLIJKE VERENIGING—OF THE ROYAL NETHERLANDS
VOOR DE STAATHUISHOUDKUNDE—ECONOMIC ASSOCIATION

OPGERICHT DOOR—FOUNDED BY
J.L. DE BRUYN KOPS
IN 1852

Redactie—Board of Editors

Erevoorzitter—Honorary Chairman
P. HENNIPMAN

M.M.G. FASE, L.H. KLAASSEN,
TH.C.M.J. VAN DE KLUNDERT, S.K. KUIPERS, L.B.M. MENNES,
J. PEN, F. DE ROOS

Jaargang—Volume 137
1989

H.E. STENFERT KROESE B.V.—LEIDEN—THE NETHERLANDS

Een jaargang van *De Economist* telt vier nummers.

Prijs per jaargang franco per post f120,-

Prijs per nummer f32,50

Lidmaatschapsgeld Koninklijke Vereniging voor de Staathuishoudkunde f60,- Lidmaatschapsgeld studenten en assistenten in opleiding f40,-

Redacteur-secretaris:

A volume of *De Economist* consists of four issues.

Subscription price post paid Dfl. 120,-

Price of single copies Dfl. 32,50

Membership fee Royal Netherlands Economic Association Dfl. 60,-

Membership fee undergraduate and graduate students (AIO's) Dfl. 40,-

Managing Editor:

**Prof. S.K. Kuipers, Department of Economics, University of Groningen,
W.S.N.-gebouw, P.O. Box 800, 9700 AV Groningen, The Netherlands.**

Manuscripten, boeken ter recensie en correspondentie de redactie betreffende gelieve men te zenden aan de redacteur-secretaris.

Voor aanmelding als lid Koninklijke Vereniging voor de Staathuishoudkunde:

Manuscripts, books to be reviewed and editorial correspondence should be sent to the Managing Editor.

For applications for membership Royal Netherlands Economic Association:

**PROF. A.H.E.M. WELLINK
DE NEDERLANDSCHE BANK
POSTBUS 98, 1000 AB AMSTERDAM**

Voor abonnementen en advertenties:

Subscriptions and advertisements may be sent to:

**H.E. STENFERT KROESE B.V.
P.O. BOX 33, 2300 AA LEIDEN, THE NETHERLANDS
TEL. 071-149844**

Pag.

Dr. J. Zijlstra retires from the Board of Editors, by <i>Th. van de Klundert</i>	1
Profitability and Factor Demands under Uncertainty, by <i>Edmond Malinvaud</i>	2
Exchange Rate Theories, by <i>H. Visser</i>	16
Wage Rigidity and Capital Mobility in an Optimizing Model of a Small Open Economy, by <i>Th. van de Klundert and F. van der Ploeg</i>	47
International Policy Coordination and European Wage Rigidity, by <i>Harry Garretsen and Robert Lensink</i>	76
IS-LM: The Hicksian Journey, by <i>Ivo Maes</i>	91
Octogenarian John Kenneth Galbraith: Sunday Scientist or Superstar?, by <i>J. Beishuizen</i>	131
Labour Hoarding in Dutch Manufacturing Industry, by <i>Jaap de Koning</i>	155
Prediction of The Netherlands' Money Stock, by <i>F.A.G. den Butter and F.J.J.S. van de Ge- vel</i>	173
Endogenous Production of R&D and Stable Economic Development, by <i>Jan Rouwendal and Peter Nijkamp</i>	202
The Effects of External Trade, Foreign Resources, and Domestic Policies on Domestic Savings in some Developing Countries: A Regression Analysis, by <i>Saeid Mahdavi</i>	217
Theo van de Klundert: A Frontier Economist, by <i>H.G. van Gemert, R.J. de Groot, H.W.G.M. Peer and A.B.T.M. van Schaik</i>	257
Minimum Wage Rates and Unemployment in the Netherlands, by <i>Arthur van Soest</i>	279
Durations of Dutch Job Vacancies, by <i>J.C. van Ours</i>	309
Real Exchange Rate Changes as a Cause of Protectionism, by <i>J.K. Martijn</i>	328
Léon Walras' Latest Book: <i>Mélanges d'Economie Politique et Sociale</i> , by <i>Albert Jolink and Jan van Daal</i>	351
Classification of Unemployment: Analytical and Policy Relevance, by <i>Joan Muysken</i>	397
Employment, Schooling and Productivity Growth, by <i>D.P. Broer and W.J. Jansen</i>	425
Rates of Return to Education and Income Distribution, by <i>Jandhyala B.G. Tilak</i>	454
Deregulated Airline Markets as Open Access Commons, by <i>J.R.G. Brander, B.A. Cook and J.E. Rowcroft</i>	466
Patenting Activity and Elements of Market Structure in the Dutch Manufacturing Indus- try, by <i>Frank J.M. van den Berg</i>	476

Opmerkingen en aantekeningen—Communications

An Alternative Approach to the Divergence Indicator in the European Monetary System, by <i>Shinji Takagi</i>	360
Explaining Innovations: A Technical Note, by <i>Nurhan Davutyan</i>	493
Industry and Innovation, by <i>Nachoem M. Wijnberg</i>	499

Boekbesprekingen—Reviews

<i>O. Ashenfelter and R. Layard (eds.), Handbook of Labor Economics, vol. I and II</i> , by <i>J. Theeuwes</i>	105
--	-----

<i>A. Szirmai, Inequality Observed, A Study of Attitudes towards Income Inequality, by</i> <i>Joop Hartog</i>	108
<i>Glenn D. Rudebusch, The Estimation of Macroeconomic Disequilibrium Models with Regime Classification Information, by Tim Horst and Jan Jacobs</i>	109
<i>G.A. Akerlof and J.L. Yellen (eds.), Efficiency Wage Models of the Labor Market, by</i> <i>Jules Theeuwes</i>	111
<i>Benjamin Cohen, In Whose Interest? International Banking and American Foreign Policy,</i> <i>by G.P.L. van Roij</i>	114
<i>P. van Gool, Monetaire transmissie: een geschiedenis, by M.M.G. Fase</i>	115
<i>R. Portes and A.K. Swoboda, Threats to International Financial Stability, by Dick Kabel</i> ..	116
<i>Richard N. Langlois (ed.), Economics as a Process. Essays in the New Institutional</i> <i>Economics, by B.C.J. van Velthoven</i>	118
<i>Partha Dasgupta and Paul Stoneman (eds.), Economic Policy and Technological Performance,</i> <i>by R.J. de Groot</i>	119
<i>I. Tchijov & L. Tomaszewicz (eds.), Input-Output Modeling, by A.E. Steenge</i>	121
<i>Hugo F. Sonnenschein (ed.), Models of Economic Dynamics, by G. Gabisch</i>	123
<i>Claire Holton Hammond, The Benefits of Subsidized Housing Programs, An Intertemporal Approach, by Hugo Priemus</i>	124
<i>D. Marsden, The End of Economic Man? Custom and Competition in Labour Markets,</i> <i>by H. Jacobs</i>	126
<i>Balancing the National Interest: U.S. National Security Export Controls and Global Economic Competition, by F. de Roos</i>	127
<i>G. Peter Penz, Consumer Sovereignty and Human Interests, by P. Hennipman</i>	128
<i>Truman F. Bewley (ed.), Advances in Economic Theory, Fifth World Congress, by R.P. Gilles.</i>	129
<i>Michael Williams (ed.), Value, Social Form and the State, by Henk W. Plasmeijer</i>	130
<i>IMF, Report on the World Current Account Discrepancy, by M. van Nieuwkerk</i>	131
<i>G. Chichilnisky and G. Heal, The Evolving International Economies, by S. Brakman</i>	132
<i>OECD, OECD Economic Studies 7, by J. van Sinderen</i>	133
<i>J.M. van Brabant, Adjustments, Structural Change, and Economic Efficiency, by Michael Ellman</i>	134
<i>I. Zloch-Christy, Debt Problems of Eastern Europe, by E.H. van Leeuwen</i>	135
<i>Angus Maddison (ed.), Latin America, the Caribbean and the OECD, by H.C. Bos</i>	136
<i>Guy Standing, Unemployment and Labour Market Flexibility: Sweden, by H.A. van Stiphout</i>	137
<i>W.J. Baumol and W.E. Oates, The Theory of Environmental Policy, by L. Reijnders</i>	138
<i>Hans Schenk (ed.), Industrie en technologie beleid, analyse en perspectief, by Dirk van der Werf</i>	139
<i>F. Tulder and S. Janssen, De prijs van de weg naar het recht;</i>	
<i>A. Klijn (with the assistance of G. Paulides), Duurder recht, minder vraag?, by J. Griffiths</i> ..	140
<i>Francesco Giavazzi and Luigi Spaventa (eds.), High Public Debt: The Italian Experience,</i> <i>by C.G.M. Sterk</i>	141
<i>Margaret Garritsen de Vries, Balance of Payments Adjustment, 1945 to 1986, by H. Visser;</i> <i>by H.W.J. Bosman</i>	142
<i>J. Niehans, International Monetary Economics, by H. Jager</i>	143
<i>Alvin E. Roth (ed.), Laboratory Experimentation in Economics: Six Points of View, by</i> <i>Arjen van Witteloostuijn</i>	144
<i>Solomos Solomou, Phases of Economic Growth, 1850-1973, by J.J. van Duijn</i>	145

<i>J.M. Conrad and C.W. Clark, Natural Resource Economics, Notes and Problems, by Jeroen van den Bergh.</i>	381
<i>Louis J. Zimmerman, Politieke economie van Plato tot Marx, by H.-J. Wagener</i>	383
<i>P.E. Hart, Youth Unemployment in Great Britain, by H. Jacobs</i>	384
<i>Ignacy Sachs, Development and Planning, by H. Linnemann</i>	385
<i>Paul Streeten (ed.), Beyond Adjustment, The Asian Experience, by C.L.J. van der Meer</i>	387
<i>Jacques H. Drèze, Essays on Economic Decisions under Uncertainty, by G.F. Pikkemaat</i>	388
<i>T.F. Bewley (ed.), Advances in Econometrics, by F.C. Palm</i>	390
<i>H.A. Buhl, A Neo-Classical Theory of Distribution and Wealth, by Th. Junius</i>	392
<i>Arjo Klamer, Donald M. McCloskey and Robert Solow (eds.), The Consequences of Economic Rhetoric, by J. Pen</i>	506
<i>Jozef M. van Brabant, Adjustment, Structural Change, and Economic Efficiency – Aspects of Monetary Cooperation in Eastern Europe, by Pieter Boot</i>	508
<i>H.-J. Wagener, Elementen van economische orde, by Joop de Kort</i>	511
<i>Wilfried Guth (moderator), Economic Policy Coordination, by M.M.G. Fase</i>	513
<i>F. Holmes (ed.), Economic Adjustment: Policies and Problems, by Dirk J. Wolfson</i>	514
<i>Ana Maria Martirena-Mantel (ed.), External Debt, Savings, and Growth in Latin America, by W.J.B. Smits</i>	516
<i>Jean-Paul Lambert, Disequilibrium Macroeconomic Models (Theory and Estimation of Rationing Models Using Business Survey Data), by Frederick van der Ploeg</i>	518
<i>Edward N. Wolff, Growth, Accumulation, and Unproductive Activity, by D.B.J. Schouten</i>	519
<i>R.W. Cooper, Wage and Employment Patterns in Labor Contracts: Microfoundations and Macroeconomic Implications, by H. van Ees</i>	520
<i>Herbert Stein (ed.), Tax Policy in the Twenty-First Century, by J. de Haan</i>	521
<i>Peter Gärdenfors and Nils-Eric Sahlin (eds.), Decision, Probability, and Utility, by Nico L. van der Sar</i>	523
<i>D.C. Cooper and T. Hopper (eds.), Debating Coal Closures, Economic Calculation in the Coal Dispute 1984–5, by J. Pen</i>	525
<i>Davis Kingsley, S. Mihail, Bernstam & Rita Ricardo-Campbell, Below-Replacement Fertility in Industrial Societies, Causes, Consequences, Policies, by L.H. Klaassen</i>	526
<i>J.-Matthias Graf von Schulenburg (ed.), Essays in Social Security Economics, by Jo Ritzen</i>	528
<i>A. Spanos, Statistical Foundations of Econometric Modelling, by J.F. Kiviet</i>	529
<i>Morton Davis, The Art of Decision-Making, by A. Bosman</i>	531
Uit De Economist van 1889	128, 255, 393, 532
Aan de medewerkers van De Economist-Note to Contributors	129, 256, 395, 534



